

# American Recovery and Reinvestment Act of 2009

<http://www.conferencereport.gpoaccess.gov/>

## Health & Human Services Funding Overview

Presentation to the  
Joint Finance-Appropriations Committee  
February 26, 2009

by  
Amy Castro, Senior Budget and Policy Analyst  
Legislative Services Office  
Budget & Policy Analysis

# Health & Human Services Funding is Found Within Eight Titles of the Act

## ■ **Division A**

- **Title I** Agriculture, Rural Development, Food and Drug Administration, and Related Agencies
- **Title II** Commerce, Justice, Science and Related Agencies
- **Title IV** Energy and Water Development
- **Title VIII** Labor, Health and Human Services, and Education, and Related Agencies
- **Title XIII** Health Information Technology

## ■ **Division B**

- **Title II** Assistance for Unemployed Workers and Struggling Families
- **Title IV** Medicare and Medicaid Health Information Technology; Miscellaneous Medicare Provisions
- **Title V** State Fiscal Relief

# Health & Human Services Funding is Found Within Eight Titles of the Act

<b>Division A – Appropriations Provisions</b>	<b>Nationwide</b>	<b>Idaho's Known Allocation</b>
Title I, II, IV	\$5.90 Billion	\$97,693,000
Title VIII	\$22.08 Billion	\$20,578,000
<b>Division B – Tax Provisions</b>		
Title II- Emergency TANF Funds	\$5.00 Billion	\$12,200,000
Title V- State Fiscal Relief	Medicaid FMAP Increase	\$74.2M FF for FY 2009 \$112M FF for FY 2010

Sources: Federal Funds Information for States (2-23-2009) and the Department of Health & Human Welfare Medicaid Office.

# Titles I, II & IV

- Department of Agriculture
  - \$500M Women, Infants, and Children Program
  - Food Stamps
    - \$295M for Administration
    - 13.6% Increase in Maximum Food Stamp Benefit
- Department of Justice
  - \$100M Victims of Crime Assistance
- Department of Energy
  - \$5B Weatherization

# Title I

## Provisions Affecting Food Stamps and WIC Payments

### Supplemental Nutrition Assistance Program and Special Supplemental Nutrition Program for WIC

Department of Agriculture	\$500,000,000 for the Women, Infants, and Children for increased participation and food costs.
Department of Agriculture	<p>A) 13.6% Increase in the maximum food stamp benefit</p> <p>B) \$295,000,000 for food stamp administration costs</p> <p><b>Idaho Impacts:</b></p> <p>a) \$1.1 Million over 2 years for increased administration costs.</p> <p>b) Increased small error amount to \$50 from \$25.</p> <p>Idaho distributed \$109.2 million in food stamps last year, about \$9 million per month. The December food stamp distribution was \$14 million</p>

# Title II

## Potential Funding for Health & Human Services

Department of Justice	
Department of Justice	<p>A) \$100M for the Victims of Crime Assistance (VOCA)</p> <p>B) Distributed under the current allocation formula for VOCA funds</p> <p>C) \$47.5M allocated to victim assistance grants and the remainder allocated to victim compensation and discretionary grants</p>
Idaho Share	\$598,000 to the Council on Domestic Violence under the Department of Health and Welfare

# Title IV

## Provisions Affecting Health & Human Services

<b>Department of Energy Weatherization</b>	
Weatherization Assistance Program	<p>\$5 Billion for weatherization of low-income residences</p> <ul style="list-style-type: none"><li>a) Changes the qualifying federal poverty level from 150% to 200%</li><li>b) Increases the amount per dwelling to \$6,500 from \$2,500</li></ul>
Idaho Share	<p>\$31 Million over a two year period</p> <p>Idaho's current weatherization program expenditures are \$4-5M per year and serves approximately 1400 per year.</p>

# Title VIII

## Labor, Health and Human Services, and Education, and Related Agencies

- Department of Health & Human Services
  - \$2.5B for Health Resources and Services
  - \$10B for National Center for Research Resources
  - \$1.1B for Comparative Effectiveness Research
  - \$2B for Child Care and Development Block Grant
  - \$3.1B for Child and Families Services Programs
  - \$100M for Administration on Aging
  - \$50M for Information Technology Security at HHS
  - \$1B for Prevention and Wellness Services
  - \$2B for Health Information Technology
- Corporation for National Community Services
  - \$160M for Operating Expenses



# **Title VIII, Health & Human Services Allocations Administered at the Federal Level**

- **Health Center Grant Funding**
  - \$500,000,000 for grants to health centers
  - \$1,500,000,000 for grants to construct, renovate, equip and improve health information technology in health centers
  - \$500,000,000 for health profession workforce shortages
- **Research Funding**
  - \$1.3B for grants to repair non-federal research facilities
  - \$8.2B for the National Institutes of Health
  - \$1.1B for comparative effectiveness research
- **Corporation for National and Community Services**
  - \$160M for operating expenses/grants

# **Title VIII, Health & Human Services Allocations Administered at the Federal Level**

- **Prevention and Wellness Services Funding**
  - \$650,000,000 to carry out evidenced-based community prevention and wellness strategies
  - \$50,000,000 for implementing health care associated infection reduction strategies
- **Health Information Technology**
  - \$20,000,000 to the National Institute of Standards and Technology
  - \$300,000,000 to the regional & sub-national health information exchange
  - \$1,680,000,000 for grants under Title XIII Health Information Technology

# Title VIII

## Potential Funding for Health & Human Services

<b>Department of Health &amp; Human Services Research &amp; Science</b>	
National Institutes of Health	\$1B for construction & renovation of non-federal research facilities; \$300M for research equipment; and \$8.2B for scientific research
Comparative Effectiveness Research	\$1.1B to be used to conduct or support research to evaluate and compare the clinical outcomes, effectiveness, risk, and benefits of two or more medical treatments and services that address a particular medical condition.

# Title VIII

## Key Provisions for Health & Human Services

<b>Department of Health &amp; Human Services Administration for Children and Families</b>	
Child Care and Development Block Grant	\$2,000,000,000 to be used for child care assistance to low income families - Must not be used to supplant state general revenue funds for child care assistance programs
Potential Idaho Share	\$11,946,000 to the Division of Welfare

# Title VIII

## Potential Funding for Health & Human Services

### Department of Health & Human Services Child and Families Services Programs

Community  
Services Block  
Grant

\$1B to be distributed under the current community services block grant formula for increased access to housing, jobs, health care, and nutrition assistance

- Increases federal poverty level qualifications from 125% to 200%

Potential Idaho  
Share

\$4,946,000 to the Division of Welfare

# Title VIII

## Potential Funding for Health & Human Services

<b>Department of Health &amp; Human Services Administration on Aging</b>	
Administration on Aging	\$65,000,000 for Congregate Nutritional Services \$32,000,000 for Home-Delivered Nutritional Services \$3,000,000 for Nutritional Services for Native Americans
Potential Idaho Share	\$500,000 Current match requirement for nutritional services is 15% state funds=\$88,200 over a two year period

# Title VIII

## Key Provisions for Health & Human Services

<b>Department of Health &amp; Human Services Prevention and Wellness Services</b>	
Immunization Programs	\$300,000,000 for state immunization programs
Potential Idaho Share	\$2,943,000

# Division B Title II

## Key Provisions for Health & Human Services

### Department of Treasury

#### Emergency Fund for TANF Program

\$5,000,000,000 for state TANF programs

- 1) States must make a grant application
- 2) A state's average monthly assistance caseload for the quarter must exceed the average monthly caseload for the corresponding quarter
- 3) Amount of the grant is equal to 80% of the amount of the quarter
- 4) A single state may not receive more than 50% of the annual state TANF assistance grants expenditures



# Division B Title II

## Key Provisions for Health & Human Services

Department of Treasury	
Extension of TANF supplemental grants	\$3,500,000 for Idaho for FY 2010
Federal Child Support Incentive Payment Match	<p>Allows the child support program to use the Annual Federal Incentive Payment for matching additional federal funds of \$8,700,000.</p> <p>Potential General Fund savings \$2,965,000 over a two year period.</p>

# ARRA of 2009 Health & Human Services Recap

<b>Title</b>	<b>What it does</b>	<b>\$</b>	<b>Availability</b>	<b>Requirements</b>
Titles I, II & IV	Increases funding for WIC, Food Stamp benefits & Weatherization Funds	\$5.90B	Immediately; varies for ending dates	No additional requirements stated in the Act
Title VIII	Increases funding to existing federal health & human services programs; additional grant funding capabilities	\$22.08B	Immediately; varies by program regarding application and end dates	Varies by funding stream
Div. B Title II	Provides funding for TANF supplemental grants, emergency funds, and child support enforcement	\$5B	Additional 3.5M for FY 2010; and \$8.7M for FY 2009 & FY 2010	No additional requirements stated in the Act
Title V	Increases the FMAP percentage for states	N/A	Immediately, with the first payment expected in March	MOE for eligibility

# Federal Medical Assistance Percentage (FMAP)

Three types of temporary assistance:

1. Hold harmless
2. FMAP Increase (6.2 percentage points)
3. Unemployment-Related FMAP Increase

# Hold Harmless

- For FY 2009 if the states FMAP percentage is less than FY 2008, the FMAP increase will be added to the FY 2008 percentage.
- Idaho's FMAP Rates
  - FY 2008: 69.87%
  - FY 2009: 69.77%
- Idaho's starting point for FMAP will be FY 2008 69.87%

# FMAP Calculation

FMAP Base Percentage	69.87%
FMAP Increase for all states	<u>6.2%</u>
New Base FMAP %	76.07%
Unemployment Increase Percent	_____
Total FMAP	

# Unemployment Increase %

Calculation=

(State Match Rate - 3.1%) X unemployment bonus

## Unemployment Bonus:

### Tier I

If the state unemployment increase percentage is equal to 1.5% but less than 2.5%, the unemployment bonus is 5.5%

### Tier II

If the state unemployment increase percentage is equal to 2.5% but less than 3.5%, the unemployment bonus is 8.5%

### Tier III

If the state unemployment increase percentage is more than 3.5%, the unemployment bonus is 11.5%

# Idaho's Unemployment Increase % Factor

	FY 2009	FY 2010
Quarter 1		11.5%
Quarter 2	8.5%	11.5%
Quarter 3	8.5%	11.5%
Quarter 4	11.5%	11.5%

# Idaho's FMAP Rate

Calculation=  
(State Match Rate - 3.1%) X unemployment bonus  
State Match Rate = 30.13%

	FY 2009	FY 2010
Quarter 1		3.10%
Quarter 2	2.29%	3.10%
Quarter 3	2.29%	3.10%
Quarter 4	3.10%	3.10%



# FMAP Calculation

FMAP Base Percentage	69.87%
FMAP Increase for all states	<u>6.2%</u>
New Base FMAP %	76.07%
Unemployment Increase Percent	<u>3.10%</u>
Total FMAP	79.17%

# Idaho's Quarterly New FMAP % funding under ARRA

	FY 2009	FY 2010
Quarter 1	69.87%	79.17%
Quarter 2	78.36%	79.17%
Quarter 3	78.36%	79.17%
Quarter 4	79.17%	79.17%
<b>Blended Rate</b>	<b>76.44%</b>	<b>79.17%</b>

# Medicaid Handout

# FMAP Summary

	General Fund Savings	Federal Fund Increase
FY 2009	(\$52.3M)	\$137.7M
FY 2010	(\$73.2M)	\$198.1M
FY 2011	Undetermined at this time	Undetermined at this time

# Title XIII

## Health Information Technology

- Requires utilization of an Electronic Health Record (EHR) for every person in the United States by the year 2014
  - Leadership: Office of the National Coordinator for Health Information Technology
- Includes privacy and security provisions for electronic exchange of health information
- Includes enforcement provisions
- Requires collaboration of public and private entities

# Background

- Rep. Borden (R)-Tennessee
- Standards
- State or Qualified State Designated Entity
- Medicare & Medicaid Providers
- State Grants
  - Planning
  - Implementation
- Medicare Incentive Payments
- Medicaid Incentive Payments
- GAP Options

# Idaho Opportunities/Impacts

- What is Idaho's vision for EHR and how would Idaho accomplish EHR implementation for every Idaho citizen by 2014?
- What kind of leadership and communication are needed statewide to accomplish Idaho's vision and goals?
- What are some of the underlying factors?
  - Broadband capabilities in Idaho
  - Jobs creation
  - New industry or expanded industry creation nationally & globally